

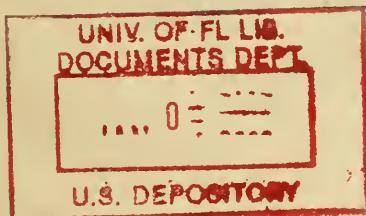
NATIONAL RECOVERY ADMINISTRATION

AMENDMENT TO
CODE OF FAIR COMPETITION

FOR THE

MOP STICK INDUSTRY

AS APPROVED ON OCTOBER 30, 1934



UNITED STATES
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Approved Code No. 116—Amendment No. 2

AMENDMENT TO CODE OF FAIR COMPETITION

FOR THE

MOP STICK INDUSTRY

As Approved on October 30, 1934

ORDER

**APPROVING AMENDMENT OF CODE OF FAIR COMPETITION FOR THE
MOP STICK INDUSTRY**

An application having been duly made pursuant to and in full compliance with the provisions of Title I of the National Industrial Recovery Act, approved June 16, 1933, for approval of amendments to a Code of Fair Competition for the Mop Stick Industry, and hearings having been duly held thereon and the annexed report on said amendments, containing findings with respect thereto, having been made and directed to the President:

NOW, THEREFORE, on behalf of the President of the United States, the National Industrial Recovery Board, pursuant to authority vested in it by Executive Orders of the President, including Executive Order No. 6859, and otherwise, does hereby incorporate by reference said annexed report and does find that said code complies in all respects with the pertinent provisions and will promote the policies and purposes of said Title of said Act; and does hereby order that said amendments be and they are hereby approved; and that the previous approval of said Code is hereby amended to include an approval of said Code in its entirety as amended; provided, however, that the provisions of Article VII, Section 1, Subsection a (i); and Article VII, Section 1, Subsection (e) insofar as it prescribes a waiting period between the filing of price lists and the effective date thereof, be and they are hereby stayed pending the said Board's further Order; and further provided that price lists shall be filed with a confidential and disinterested agency of the Code Authority; such approval and such amendments to take effect fifteen (15) days from the date hereof, unless good cause to the contrary is shown to the said Board before that time and the Board issues a subsequent Order to that effect.

NATIONAL INDUSTRIAL RECOVERY BOARD,
By G. A. LYNCH, *Administrative Officer.*

Approval recommended:

W. P. ELLIS,
Acting Division Administrator.

WASHINGTON, D. C.,
October 30, 1934.

REPORT TO THE PRESIDENT

The PRESIDENT,

The White House.

SIR: I have the honor to submit herewith amendments to the Code of Fair Competition for the Mop Stick Industry.

A public hearing on these amendments was held in Washington, D. C. on March 10, 1934 in accordance with the provisions of the National Industrial Recovery Act.

Nine proposed amendments were submitted by the Code Authority but during the course of the hearing and subsequent thereto, one additional amendment relating to those already proposed was presented for consideration, and one amendment as originally proposed was changed to conform to revised policy.

The proposed amendments in their final form are summarized herewith.

The first amendment defines the term "Employer" to correct an omission of this term in the code as originally submitted.

The second amendment clarifies and amplifies the provision relative to the posting of labor provisions of the Code.

The third amendment places upon the employer the responsibility of providing for the safety and health of employees and the establishment of standards therefor.

The fourth amendment removes the right of the National Industrial Recovery Board to "amend" any action of the Code Authority in Article VI, Section 2.

The fifth amendment provides that recommendations of the Code Authority upon approval by the said Board shall be made an integral part of the Code.

The sixth amendment clarifies the provisions relative to the sharing of expenses of administration.

The seventh amendment specifies the right of the said Board to suspend any action of the Code Authority pending investigation.

The eighth amendment revises the provisions relative to price cutting, uniform cost accounting, emergencies, and price filing.

The ninth amendment clarifies and amplifies the present provisions relative to price discrimination.

The tenth amendment clarifies and simplifies the provision relative to defamation of competitors.

FINDINGS

The Deputy Administrator in his final report to us on said amendments to said Code having found as herein set forth and on the basis of all the proceedings in this matter:

We find that:

(a) The amendments to said Code and the Code as amended are well designed to promote the policies and purposes of Title I of the

National Industrial Recovery Act including the removal of obstructions to the free flow of interstate and foreign commerce which tend to diminish the amount thereof, and will provide for the general welfare by promoting the organization of industry for the purpose of cooperative action among trade groups, by inducing and maintaining united action of labor and management under adequate governmental sanction and supervision, by eliminating unfair competitive practices, by promoting the fullest possible utilization of the present productive capacity of industries, by avoiding undue restriction of production (except as may be temporarily required), by increasing the consumption of industrial and agricultural products through increasing purchasing power, by reducing and relieving unemployment, by improving standards of labor, and by otherwise rehabilitating industry.

(b) The Code as amended complies in all respects with the pertinent provisions of said Title of said Act, including without limitation Subsection (a) of Section 3, Subsection (a) of Section 7, and Subsection (b) of Section 10 thereof.

(c) The amendments and the Code as amended are not designed to and will not permit monopolies or monopolistic practices.

(d) The amendments and the Code as amended are not designed to and will not eliminate or oppress small enterprises and will not operate to discriminate against them.

(e) Those engaged in other steps of the economic process have not been deprived of the right to be heard prior to approval of said amendments.

For these reasons, these amendments have been approved.

For the National Industrial Recovery Board:

C. A. LYNCH,
Administrative Officer.

OCTOBER 30, 1934.

AMENDMENT TO CODE OF FAIR COMPETITION FOR THE MOP STICK INDUSTRY

Article II is amended by the addition of the following inserted between the second and third paragraph:

The term "employer" as used herein includes anyone by whom any such employee is compensated or employed.

ARTICLE V.—Section 7 is amended to read as follows:

Each employer shall post and maintain in conspicuous places accessible to employees full copies of the labor provisions of this Code. Every member of the Industry shall comply with all rules and regulations, relative to the posting of provisions of codes of fair competition which may from time to time be prescribed by the National Industrial Recovery Board.

ARTICLE V.—Section 8 is added to read as follows:

Every employer shall provide for the safety and health of employees during the hours and at the places of their employment. Standards of safety and health shall be submitted by the Code Authority to said Board within three months after the effective date of this amendment.

ARTICLE VI.—Section 2, Paragraph 1, is amended by deleting in its entirety the phrase "subject to the right of the Administrator on review to disapprove or modify any action taken by the Code Authority", and further Article VI, Section 2 is amended by striking out the words "or modify" where they occur as being unnecessary.

ARTICLE VI.—Section 2 (b) is amended to add the following:

Upon approval by the National Industrial Recovery Board, after such notice and hearing as it may prescribe, such recommendations shall become an integral part of this Code.

ARTICLE VI.—Section 2 (e) is amended by striking out the words "to be taken into consideration".

ARTICLE VI.—Section 4 is added to read as follows:

If the National Industrial Recovery Board shall determine that any action of a Code Authority or any agency thereof may be unfair or unjust or contrary to the public interest, the said Board may require that such action be suspended to afford an opportunity for investigation of the merits of such action and further consideration by such Code Authority or agency pending final action which shall not be effective unless the Board approves or unless it shall fail to disapprove after 30 days notice to it of intention to proceed with such action in its original or modified form.

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Approved Code No. 116

Registry No. 328-02

AMENDMENT NO. 2—ERRATA SHEET

CODE OF FAIR COMPETITION

FOR THE

MOP STICK INDUSTRY

As Approved on October 30, 1934

Page 5 first line "Article VIII" should be "Article VII."

ARTICLE VIII.—Section 1 is amended to read as follows:

Destructive Price Cutting.—(a) *The Principle.*—(i) Destructive price cutting is an unfair method of competition and is forbidden at all times, irrespective of the existence of an emergency.

(ii) When no declared emergency exists as to any given product, there is to be no fixed minimum basis for prices but it is intended that sound cost estimating methods should be used.

(iii) When an emergency exists as to any given product, sale below the lowest reasonable cost of such product, in violation of subsection (c) hereof, is forbidden.

(b) *Uniform Cost Accounting.*—The Code Authority shall cause to be formulated an accounting system and methods of cost finding and/or estimating capable of use by all members of the Industry and shall submit such system and methods to the National Industrial Recovery Board for review and approval. After such system and methods have been formulated and approved by the said Board, full details concerning them shall be made available to all members. Thereafter it is intended that all members should utilize the principles of such system or methods.

(c) *Emergency (Lowest Reasonable Cost).*—When an emergency exists, the Code Authority may cause an impartial agency to investigate costs and to determine the lowest reasonable cost of the product affected by the emergency. Such determination shall exclude all unallowable cost elements set forth in and shall be in all respects subject to such rules and regulations as may be issued by the said Board and subject to its approval or modification after such notice and opportunity to be heard as it may prescribe. Due notice of such determination shall be given to all members of the Industry. The Code Authority or the said Board may, from time to time, cause such determination to be reviewed or reconsidered and appropriate action taken.

(d) *Definitions.*—An “Emergency” exists whenever the National Industrial Recovery Board determines that destructive price cutting is rendering ineffective or seriously endangering the maintenance of the provisions of this Code.

(i) When no emergency exists, the term shall have the meaning declared in rules and regulations promulgated by the said Board on recommendation of the Code Authority or on its own motion;

(ii) When an emergency exists, the term shall mean any sale in violation of subsection (c) hereof;

(iii) It shall be an absolute defense to any charge of destructive price cutting, if an impartial agency, designated or approved by the Board, shall find:

(aa) That the price complained of is justified by existing competition, evidence of which has been reported to the Code Authority;

(bb) That the price complained of is justified as a method of disposal of dropped lines or seconds, or

(cc) When no declared emergency exists, that the member charged with destructive price cutting has in good faith endeavored to make proper use of the announced cost estimating methods.

(e) Each member of the Industry shall publish and file with the Code Authority a price list for all products of the Industry sold or offered for sale by him, together with discounts and transportation



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allowances, if any, allowed therefrom, and fixed terms of payment, which price lists shall fully and accurately describe each product. Revised price lists, revised discounts, or terms and conditions of sale, may be filed and published from time to time thereafter by any member of the Industry; provided, however, that such revision be published and filed with the Code Authority ten days in advance of the effective date thereof. Copies of all price lists and revised price lists and discounts, with notice of the effective date specified, shall be sent immediately by registered mail to all known members of the Industry, who, thereupon, may file, if they so desire, revisions of their price lists and/or discounts, which may become effective upon date when the revised lists or discounts first filed, shall go into effect.

(f) No member of the Industry shall sell or offer for sale any product of the Industry at prices other than the prices noted in his price list or terms or conditions of sale other than the terms or conditions of sale previously published and filed by such member with the Code Authority in accordance with the foregoing provisions and in effect at the time of such sale.

ARTICLE VII.—Section 2 (a) is amended to read as follows:

Directly or indirectly to discriminate in prices to purchasers of the same class, provided that nothing herein shall prevent differences in prices to allow for differences in quality, quantity, and transportation costs.

ARTICLE VII.—Section 2 (d) is amended to read as follows:

The defamation of competitors by falsely imputing to them dishonorable conduct, inability to perform contracts, questionable credit standing or other false representations.

Approved Code No. 116—Amendment No. 2.
Registry No. 328-02.

